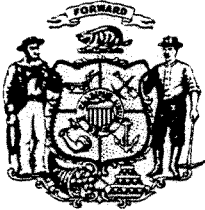


- XXII. Department of Administration -- Richard G. Chandler, State Budget Director
Department of Public Instruction -- Steve Dold, Deputy Superintendent
Legislative Fiscal Bureau -- Robert Wm. Lang, Director

As required under s. 121.15(3m)(a), Wisconsin Statutes, the Department of Administration, the Department of Public Instruction and the Legislative Fiscal Bureau jointly certify to the Joint Committee on Finance an estimate of \$3,152,215,800 GPR as the amount necessary to appropriate under s. 20.255(2)(ac) in the 1996-97 school year to ensure that the sum of state school aids equals 66.7% of partial school revenues. This amount exceeds the current 1996-97 appropriation level by \$30,000,000 GPR.



TOMMY G. THOMPSON

**Governor
State of Wisconsin**

XXI

May 13, 1996

The Honorable Senator Timothy Weeden
The Honorable Representative Ben Brancel
Members, Joint Committee on Finance
State Capitol
Madison, WI 53702

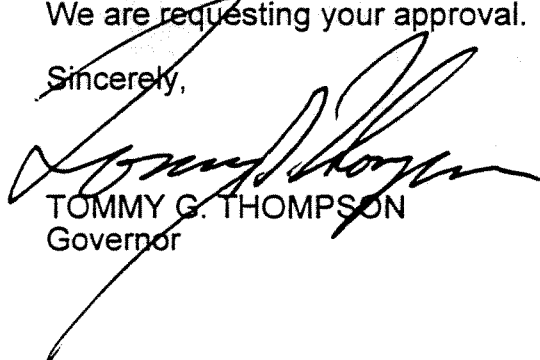
Re: 1996 Operating Note Issue

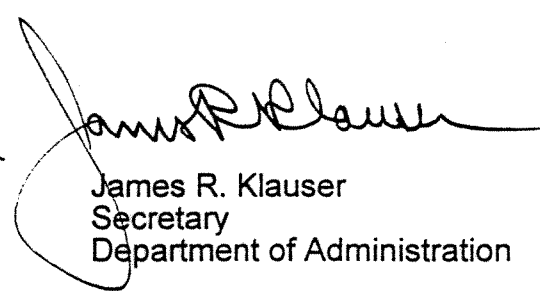
Dear Senator Weeden, Representative Brancel and Members:

The State of Wisconsin customarily issues operating notes in each fiscal year because of differences in the timing of receipts and disbursements. The Department of Administration has again determined that a deficiency will occur in the funds of the State which will not permit the State to meet its operating obligations in a timely manner during fiscal year 1996-97. Accordingly we intend to formally request the Building Commission to issue an amount not to exceed \$250,000,000 of operating notes for fiscal year 1996-97 pursuant to 16.405 (1) and 18.72 (1) Wisconsin Statutes.

As required by 16.405 (2) Wisconsin Statutes, the Joint Committee on Finance must approve the request before it can be presented to the Building Commission. We are requesting your approval.

Sincerely,


TOMMY G. THOMPSON
Governor


James R. Klauser
Secretary
Department of Administration

CORRESPONDENCE/MEMORANDUM

STATE OF WISCONSIN
Department of Administration

Date: May 7, 1996

To: Members, Joint Committee on Finance

From: James R. Klauser, Secretary
Department of Administration *James R. Klauser*

Subject: S.16.405(2) Request for Operating Note Approval

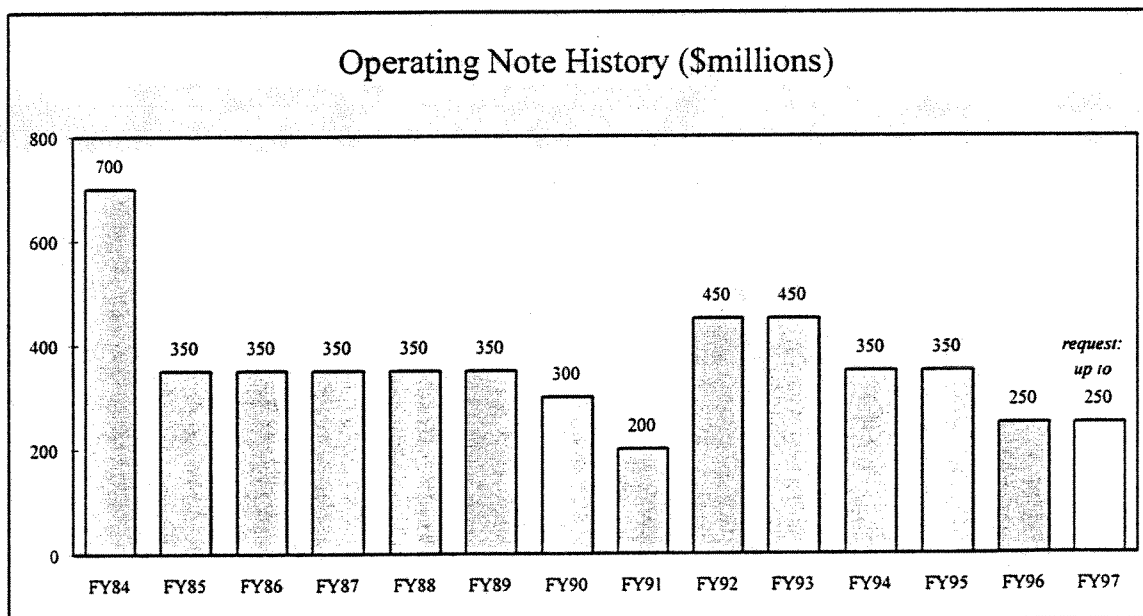
Request

The Department of Administration (DOA) requests Joint Committee on Finance approval under s.16.405(2) to request the Building Commission to authorize a 1996 operating note of up to \$250 million.

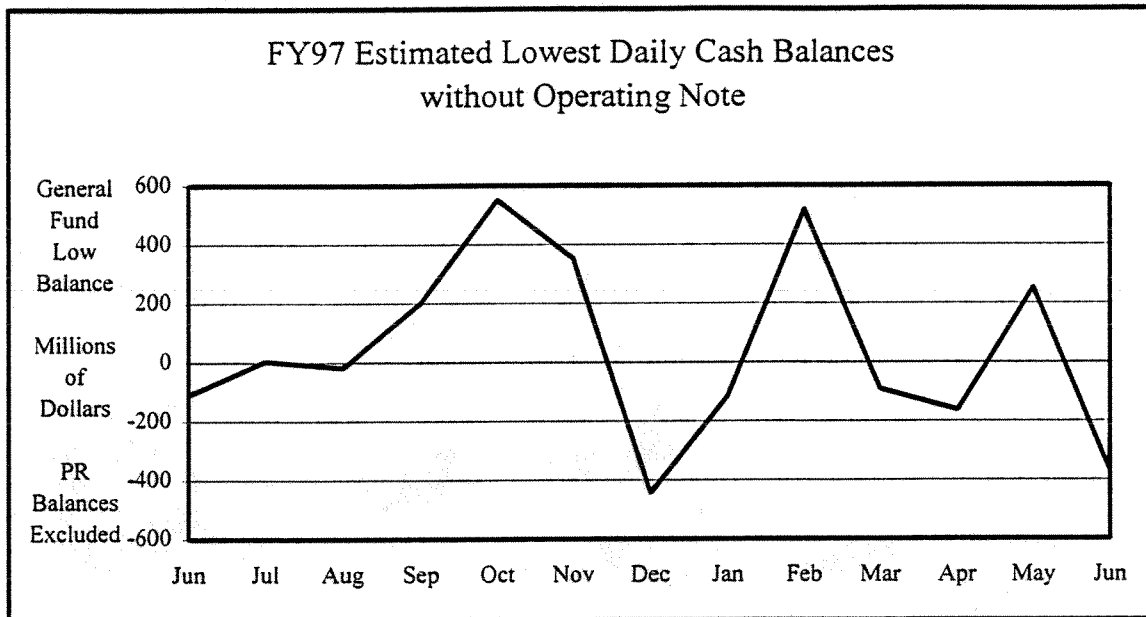
Background

The general fund has periodically engaged in some form of borrowing for operating expenses since FY81. From FY81 through FY83, the short-term borrowing took the form of interfund borrowing or payment delays. In FY83, the general fund paid \$16.6 million in interest for interfund borrowing to continue daily operations.

Operating notes have been issued annually since FY84 to accommodate the magnitude of the general fund's short term cash needs and to minimize the costs of short-term borrowing. Variability in the general fund's cash balances have required annual evaluation of borrowing needs. As shown below, previous operating notes have ranged from \$200 million to \$700 million.



Short-term borrowing will again be necessary in FY97 to cover a temporary cash imbalance. The general fund's cash balance includes the University's Auxiliary funds and other program revenue accounts held in trust from estates or court decisions (for example, oil overcharges and environmental protection suits). While held in the general fund, any use of these dollars aside from their designated purpose constitutes borrowing. These PR balances vary from \$200 to \$300 million. Excluding the balances of the PR accounts, current estimates place the general fund's lowest cash balance at -\$443 million in early December 1996.



Analysis

As in previous years, the department has sized the operating note request below the maximum cash shortfall. This is necessitated by federal arbitrage requirements. An actual cash shortfall must use at least 90% of the proceeds of the note. If this test is not met, the state must rebate the excess earnings on the note to the U.S. Treasury. This authorization request has been sized with a margin of error to prevent an earnings rebate even if economic growth is stronger than expected.

Under s.18.725, operating notes are limited to no more than 10% of total GPR and PR general fund appropriations combined. With the \$250 million maximum note under this request, the 1996 operating note would be about 17% of the statutory cap.

Operating notes remain the most cost-effective means of acquiring short-term funds. The efficiency is realized through both lower interest rates and increased interest earnings. Because the state is a tax-exempt borrower, it can borrow in the national capital markets at a rate lower than it would pay on dollars obtained through interfund borrowing. The higher overall cash balances obtained by operating note proceeds allow the general fund to gain increased interest earnings.

The final size of the note will be determined by DOA in June. Based on the actual and estimated cashflows to date, DOA anticipates that the 1996 note will be sized at \$200 million. While the note may be larger or smaller than \$200 million depending on the final cashflow forecast at the time of sale, the note may not exceed the requested \$250 million maximum.

As in previous years, the FY97 budget has been structured on the assumption of issuing an operating note. Interest earned, net of the cost of operating notes, is about \$2.1 million higher with a \$200 million operating note as compared to not issuing any note at all.

Recommendation

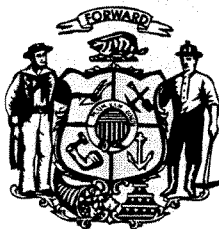
Approve the request.

Prepared by: Paul Ziegler

R-1

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR
JAMES R. KLAUSER
SECRETARY



Mailing Address:
Post Office Box 7864
Madison, WI 53707-7864

June 11, 1996

The Honorable Brian Burke
State Senate
100 N Hamilton, Rm 302
Madison, WI 57302

The Honorable Ben Brancel
State Assembly
119 Martin Luther King, Jr. Blvd.
Suite LL2I
Madison, WI 53707-8952

Dear Senator Burke and Representative Brancel:

Attached is our report as required under s. 16.50, Wisconsin Statutes, on the number of federally funded positions approved during the January 1 - March 31, 1996 quarter. Also shown are changes in positions approved by the UW-System and by the Legislature during the same period. There were 17.15 federal positions approved in the quarter and 3.25 deleted for a net increase of 13.90.

Of the new positions created, the Department of Natural Resources received 4.50 positions related to several Superfund Cooperative Agreements and 1.0 FTE for Sport Fish Restoration. The Department of Development received 1.0 FTE for the CDBG Technical Assistance program; the Department of Military Affairs received 1.0 FTE for Volk Field operations; the Department of Veterans Affairs received 1.0 FTE for the Veterans Assistance program and the Department of Administration received positions for the Cash Management Improvement Act and the Stop Violence Against Women program. The Department of Health and Social Services received federal grants for the Head Start Collaboration Grant (1.0), the Blind-Deaf Service Coordinator (1.0), and the Immunization program (1.0).

Also attached is our report on the surplus positions created for the same quarter.

We would be happy to answer any questions you may have on these reports.

Sincerely,


James R. Klauser
Secretary

Attachments (2)

REPORT ON POSITIONS AUTHORIZED - JANUARY 1 - MARCH 31, 1996

Agency	Budgeted Positions as of 12/31/95	Approved Under s. 16.50		UW Approved		JFC or Misc. Leg.*		Totals as of 3/31/96
		Adds	Deletes	Adds	Deletes	Adds	Deletes	
Administration	997.72							998.97
GPR	226.42							226.42
PRO/PRS	712.50							712.50
Federal	50.10	3.00	-1.75					51.35
SEG	8.70							8.70
Adolescent Pregnancy Prevention and Pregnancy Services Board								
GPR	1.50							1.50
	1.50							1.50
Aging and Long-Term Care								
GPR	12.90							12.90
PRO/PRS	8.40							8.40
	4.50							4.50
Agriculture, Trade & Consumer Protection								
GPR	689.47							689.47
PRO/PRS	307.21							307.21
Federal	247.46							247.46
SEG	65.60							65.60
	69.20							69.20
Arts Board								
GPR	12.00							12.00
PRO/PRS	5.00							5.00
Federal	1.00							1.00
	6.00							6.00
Banking								
PRO/PRS	87.00							87.00
	87.00							87.00
Child Abuse & Neglect Prevention Board								
PRO/PRS	4.00							4.00
	4.00							4.00
Circuit Court								
GPR	494.00							494.00
	494.00							494.00

REPORT ON POSITIONS AUTHORIZED - JANUARY 1 - MARCH 31, 1996

Agency	Budgeted Positions as of 12/31/95	Approved Under s. 16.50		UW Approved		JFC or Misc. Leg. *		Totals as of 3/31/96
		Adds	Deletes	Adds	Deletes	Adds	Deletes	
Corrections	6,210.89							6,210.89
GPR	6,044.94							6,044.94
PRO/PRS	165.95							165.95
Federal	0.00							0.00
Court of Appeals	73.00							73.00
GPR	73.00							73.00
Credit Unions	23.00							23.00
PRO	23.00							23.00
Development	112.60							114.60
GPR	95.95							95.95
PRO/PRS	6.00					1.00		7.00
Federal	10.65		1.00					11.65
SEG	0.00							0.00
District Attorneys	360.50							360.50
GPR	348.00							348.00
PR	12.50							12.50
Federal	0.00							0.00
Educational Communications Board	94.50							94.50
GPR	72.25							72.25
PRO	22.25							22.25
Federal	0.00							0.00
Elections Board	13.00							13.00
GPR	13.00							13.00
Employe Trust Funds	172.85							172.85
SEG	172.85							172.85

REPORT ON POSITIONS AUTHORIZED - JANUARY 1 - MARCH 31, 1996

Agency	Budgeted Positions as of 12/31/95	Approved Under s. 16.50		UW Approved		JFC or Misc. Leg.*		Totals as of 3/31/96
		Adds	Deletes	Adds	Deletes	Adds	Deletes	
Employment Relations Commission								
GPR	33.50							33.50
PR	28.50							28.50
	5.00							5.00
Employment Relations Department								
GPR	93.75							93.75
PRO/PRS	85.05							85.05
	8.70							8.70
Ethics Board								
GPR	6.50							6.50
PRO/PRS	3.25							3.25
	3.25							3.25
Financial Institutions - 7/1/96								
PR	0.00							0.00
	0.00							0.00
Gaming Commission								
PRO/PRS	185.45							185.45
SEG	52.45							52.45
	133.00							133.00
Governor's Office								
GPR	46.05							46.05
	46.05							46.05
Health and Social Services								
GPR	8,017.47							8,022.12
PRO/PRS	1,652.80					1.50		1,654.30
Federal	4,887.68							4,887.68
SEG	1,469.24							1,472.39
	7.75							7.75
		3.65	-0.50					

REPORT ON POSITIONS AUTHORIZED - JANUARY 1 - MARCH 31, 1996

Agency	Budgeted Positions as of 12/31/95	Approved Under s. 16.50		UW Approved		JFC or Misc. Leg. *		Totals as of 3/31/96
		Adds	Deletes	Adds	Deletes	Adds	Deletes	
Higher Educational Aids Board	14.60							14.60
GPR	10.75							10.75
SEG	2.10							2.10
FED	1.75							1.75
Historical Society	178.50							178.50
GPR	146.35							146.35
PRO/PRS	22.55							22.55
Federal	6.35							6.35
SEG	3.25							3.25
Industry, Labor and Human Relations	2,080.73							2,080.73
GPR	107.25							107.25
PRO/PRS	841.62							841.62
Federal	1,044.90							1,044.90
SEG	86.96							86.96
Insurance	141.50							141.50
PRO	127.25							127.25
SEG	14.25							14.25
Investment Board	83.50							83.50
PRO	83.50							83.50
Judicial Commission	2.00							2.00
GPR	2.00							2.00

REPORT ON POSITIONS AUTHORIZED - JANUARY 1 - MARCH 31, 1996

Agency	Budgeted Positions as of 12/31/95	Approved Under s. 16.50		UW Approved		JFC or Misc. Leg.*		Totals as of 3/31/96
		Adds	Deletes	Adds	Deletes	Adds	Deletes	
Justice	569.25							569.25
GPR	444.00							444.00
PRO/PRS	101.25							101.25
Federal	21.25							21.25
SEG	2.75							2.75
Legislature	823.97							823.97
Legislators - GPR	132.00							132.00
Assembly Staff - GPR	253.50							253.50
Senate Staff - GPR	194.50							194.50
Office of Data Processing - GPR	16.00							16.00
Retirement Committee - GPR	3.00							3.00
Revisor of Statutes - GPR	10.00							10.00
Legislative Reference Bureau - GPR	56.00							56.00
Legislative Audit Bureau								
GPR	67.00							67.00
PRS	21.80							21.80
Legislative Fiscal Bureau - GPR	35.00							35.00
Legislative Council - GPR	35.17							35.17
Lieutenant Governor's Office								
GPR	8.00							8.00
	8.00							8.00
Lower Wisconsin State Riverway Board								
GPR	2.00							2.00
SEG	0.00							0.00
	2.00							2.00

REPORT ON POSITIONS AUTHORIZED - JANUARY 1 - MARCH 31, 1996

Agency	Budgeted Positions as of 12/31/95	Approved Under s. 16.50		UW Approved		JFC or Misc. Leg.*		Totals as of 3/31/96
		Adds	Deletes	Adds	Deletes	Adds	Deletes	
Military Affairs	341.13							342.13
GPR	111.95							111.95
PRO/PRS	25.50							25.50
Federal	202.18	1.00						203.18
SEG	1.50							1.50
Natural Resources	2,959.52							2,970.02
GPR	535.08							535.08
PRO/PRS	239.64					6.00		245.64
Federal	508.55	5.50	-1.00					513.05
SEG	1,676.25							1,676.25
Personnel Commission	10.00							10.00
GPR	10.00							10.00
Public Defender	533.60							533.60
GPR	529.60							529.60
PRO/PRS	4.00							4.00
Public Instruction	663.97							663.97
GPR	398.10							398.10
PRO/PRS	84.03							84.03
Federal	181.84							181.84
SEG	0.00							0.00
Public Service Commission	191.75							191.75
PRO/PRS	190.75							190.75
Federal	1.00							1.00
Regulation and Licensing	127.50							127.50
PRO	127.50							127.50

REPORT ON POSITIONS AUTHORIZED - JANUARY 1 - MARCH 31, 1996

Agency	Budgeted Positions as of 12/31/95	Approved Under s. 16.50		UW Approved		JFC or Misc. Leg.*		Totals as of 3/31/96
		Adds	Deletes	Adds	Deletes	Adds	Deletes	
Revenue	1,195.25							1,195.25
GPR	951.85							951.85
PRO/PRS	218.40							218.40
Federal	0.00							0.00
SEG	25.00							25.00
Savings and Loan								
PRO	16.00							16.00
Secretary of State								
PRO	51.00							51.00
	51.00							51.00
Securities	30.00							30.00
PRO	30.00							30.00
State Fair Park Board								
PRO	45.70							45.70
	45.70							45.70
State Superintendent of Public Instruction - 1/1/96								
GPR	6.00							6.00
	6.00							6.00
State Treasurer								
GPR	23.50							23.50
PRO/PRS	0.00							0.00
	23.50							23.50
Supreme Court								
GPR	181.75							181.75
PRO/PRS	108.50							108.50
SEG	68.25							68.25
	5.00							5.00

REPORT ON POSITIONS AUTHORIZED - JANUARY 1 - MARCH 31, 1996

Agency	Budgeted Positions as of 12/31/95	Approved Under s. 16.50		UW Approved		JFC or Misc. Leg.*		Totals as of 3/31/96
		Adds	Deletes	Adds	Deletes	Adds	Deletes	
Transportation	3,942.62							3,942.62
PRO/PRS	4.00							4.00
Federal	949.19							949.19
SEG	2,989.43							2,989.43
Tourism - 1/1/96	65.00							65.00
GPR	57.00							57.00
PR	5.00							5.00
SEG	3.00							3.00
University of Wisconsin	30,937.33							31,055.07
GPR	18,714.88							18,714.88
PRO/PRS	8,714.98			90.44	-3.26			8,802.16
Federal	3,434.47			34.07	-3.51			3,465.03
SEG	73.00							73.00
Veterans Affairs	784.80							783.80
GPR	0.00							0.00
PRO/PRS	663.83							663.83
SEG	119.97							119.97
FED	1.00		3.00					4.00
Wisconsin Conservation Corps	12.00							12.00
GPR	3.50							3.50
PR	1.00							1.00
SEG	7.50							7.50
Wisconsin Technical College								
System	92.50							92.50
GPR	38.85							38.85
PRO/PRS	17.00							17.00
Federal	33.65							33.65
SEG	3.00							3.00

REPORT ON POSITIONS AUTHORIZED - JANUARY 1 - MARCH 31, 1996

Agency	Budgeted Positions as of 12/31/95	Approved Under s. 16.50		UW Approved		JFC or Misc. Leg. *		Totals as of 3/31/96
		Adds	Deletes	Adds	Deletes	Adds	Deletes	
TOTALS	63,856.62	17.15	-3.25	124.51	-6.77	8.50	0.00	63,996.76
GPR	32,491.15	0.00	0.00	0.00	0.00	1.50	0.00	32,492.65
PRO/PRS	17,971.29	0.00	0.00	90.44	-3.26	7.00	0.00	18,065.47
Federal	7,987.72	17.15	-3.25	34.07	-3.51	0.00	0.00	8,032.18
SEG	5,406.46	0.00	0.00	0.00	0.00	0.00	0.00	5,406.46

*Miscellaneous Leg thru Act 12

REPORT ON SURPLUS POSITIONS AUTHORIZED
JANUARY 1 - MARCH 31, 1996

Agency	C Unclassified Service Leaves	D, E Medical, Education or Personal Leaves	A, B, I, X Double-filled Positions	Reason for Double-fill
Administration PR		+ 1.0	+ 2.0;-1.0	Medical Leave of Absence; Retirement Training
Agriculture, Trade & Consumer Prot GPR				
Corrections GPR PR			+ 5.0;-5.0 -1.0	Retirement Training
District Attorneys GPR		+ 4.0;-1.0		Leave of Absence
Educational Communications Board PR		+ 1.0		Leave of Absence
Health and Social Services GPR PR FED SEG	+ 1.0	-4.0 -1.0	+ 20.00;-1.0 + 8.0;-7.0 -2.0	Leave of Absence
Industry, Labor & Human Relations PR FED		-1.0	+ 1.0	Retirement Training
Natural Resources GPR PR			+ 1.0 -1.0	
Public Defender GPR		-1.0		
Public Instruction PR FED	+ 1.0		+ 1.0	

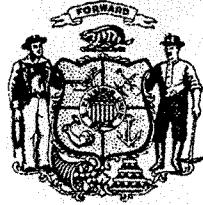
REPORT ON SURPLUS POSITIONS AUTHORIZED
JANUARY 1 - MARCH 31, 1996

Agency	C Unclassified Service Leaves	D, E Medical, Education or Personal Leaves	A, B, I, X Double-filled Positions	Reason for Double-fill
Public Service Commission PR				
Revenue GPR	-1.0			
State Fair Park PR			1.0	
Transportation SEG	-1.0		+4.0; -9.0	Medical LOA; Educational LOA; Retirement Training
Veterans Affairs PR		+5.5		Leave of Absence

Pool Code Types

- A = Understudy, 3 months or longer.
- B = Overlap replacement, less than 3 months for on-the-job training.
- C = Leave of absence replacement. Temporary hire during permanent employee's authorized leave to unclassified service.
- D = Leave-of-absence designation when permanent employee's authorized leave is less than 12 months.
- E = Leave-of-absence replacement. Temporary hire during permanent employee's authorized leave which is expected to last more than 12 months.
- I = Extended illness or worker's compensation (employee using accumulated sick leave or being paid through worker's compensation).
- X = DOA approved hire in anticipation of attrition (high turnover positions).

STATE OF WISCONSIN



SEN. BRIAN B. BURKE, CO-CHAIR
JOINT COMMITTEE ON FINANCE
100 N. HAMILTON STREET
ROOM 302

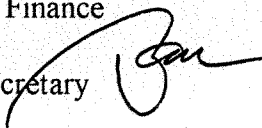
ASSEMBLY CLERK
BEN BRANCEL

SENATE CHAIR
BRIAN B. BURKE

100 North Hamilton Street
Room 302
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535

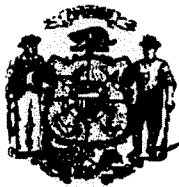
119 Martin Luther King, Jr. Blvd
Suite LL2
P.O. Box 8952
Madison, WI 53707-8952
Phone: (608) 266-7746

JOINT COMMITTEE ON FINANCE

Date: July 8, 1996
To: The Members
The Joint Committee on Finance
From: Dan Caucutt, s.13.10 Secretary 
Re: Additions to Agenda for Wednesday's Meeting

The Co-chairs have added two items to the agenda for Wednesday's (continued) meeting under s.13.10 which will begin at 8:30 a.m. They are:

- XXIII. Departments of Development and Industry, Labor and Human Relations -- A s.16.515 request relating to release of \$430,800 PR from unallotted reserve for upgrade of petroleum laboratories.
- XXIV. Department of Administration -- A s.16.515 request for \$2,243,000 PR and 4.5 PR positions in 1996-97 for needs of the Bureau of Justice Information Systems in the Division of Technology Management.



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (

MO# AF 2

BURKE	Y	N	A
ANDREA	Y	N	A
GEORGE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
WEEDEN	Y	N	A
COWLES	Y	N	A
BRANCEL	Y	N	A
FOTI	Y	N	A
SCHNEIDERS	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
PORTER	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

July 10, 1996

TO: Members
Joint Committee on Finance

AYE 15 NO 0 ABS 1

FROM: Bob Lang, Director

SUBJECT: Industry, Labor and Human Relations and Development--Request to Release
\$430,800 From Unallotted Reserve--Agenda Item XXIII

BACKGROUND

In November, 1995, the Department of Industry, Labor and Human Relations (DILHR) and the Department of Development (the Department of Commerce effective July 1, 1996) submitted a s. 13.10 request for an increase of \$1,745,500 SEG in 1995-97 to make numerous remodeling and health and safety improvements at 14 petroleum inspection laboratories throughout the state. On December 12, 1995, the Committee approved \$430,800 SEG in one-time funding in 1995-96 for equipment and facility design services. The Committee placed the funds in unallotted reserve pending submission to the Committee of an expenditure report on the use of the funds and a 14-day review period by the Committee. The Committee also deferred consideration of funding for 1996-97 until design consultant cost estimates of work needed at each existing and proposed laboratory are presented.

On June 6, 1996, the Committee received a request from DILHR and DOD to release the \$430,800 SEG from unallotted reserve. On June 25, 1996, the Committee notified the Secretaries of DILHR and DOD that a meeting would be scheduled to consider the request.

ANALYSIS

The December, 1995, Committee approval was for \$69,300 less than the requested amount because DILHR had not yet allocated \$69,300 of the \$200,000 approved in 1995 Act 27 for health and safety improvements at eight laboratories. That \$200,000, combined with the \$430,800 that the Committee placed in unallotted reserve, resulted in a total of \$630,800

available to DILHR in 1995-96 (pending approval by the Committee of release from unallotted reserve) for purposes of petroleum inspection laboratory improvements.

DILHR and DOD requested release of funds for the components described in Table 1. Table 1 shows that expenditures and planned expenditures total \$595,100, which is \$35,700 less than the \$630,800 in total requested expenditure authority.

TABLE 1
Components of DILHR and DOD Request

Total Available under Act 27 and December, 1995 Committee Approval	\$630,800
June, 1996 Request	
16 Automatic Distillation Analyzer Units	\$290,600
Programming of Oxygen Analyzers	40,000
15 Exhaust Hoods	88,000
Chemical Hygiene Plan Development and Training	<u>12,200</u>
Subtotal of June, 1996 Request	\$430,800
Other Expenditures or Planned Expenditures	<u>164,300</u>
Total Estimated Expenditures	\$595,100
Difference Between Available Funds and Planned Expenditures	\$35,700

The DILHR and DOD request includes excerpts of the description of the requested items that was included in the November, 1995, request to the Committee. The November, 1995, cost of the four requested components was \$475,600. The costs in this request have decreased to \$430,800, but the request does not explain the cost decreases.

The request does not include a description of what DILHR has accomplished since the December, 1995, Committee action related to remodeling and health and safety improvements at the laboratories. However, DILHR officials recently provided information which may be useful to the Committee in its consideration of the request.

Laboratory Facility Design

DILHR's engineering consultant submitted a report in March, 1996, that surveyed the eight existing laboratory sites that would not be moved (McFarland, LaCrosse, Chippewa Falls, Hudson, Fond du Lac, Green Bay, Stevens Point and Hazel Green) and two new locations that DILHR and DOD anticipate renting in the same area as the existing laboratories in Beloit and Waukesha (the Waukesha laboratory would be moved to a Milwaukee location closer to the petroleum terminals). The consultant surveyed each space to determine the work needed to bring the space into compliance with National Fire Protection Administration and Americans With Disabilities Act requirements. The report includes narrative, drawings and a summary of the estimated remodeling costs for each of the ten sites.

Building Commission Action

In April, 1996, the Building Commission deferred a DILHR and DOD request for authority to plan, bid and construct 14 petroleum laboratory upgrades at an estimated project cost of \$1,765,500 SEG petroleum inspection fund. This cost included: (a) \$1,351,300 for construction, contingency, facility design, DOA supervision fee and plan printing (compared to \$1,233,200 in the November, 1995, request to the Committee); (b) \$90,000 for 15 exhaust hoods (compared to \$105,400 for 17 hoods in the November request); and (c) \$315,200 for automatic distillation units (same as the November request).

The Building Commission deferred action on the request until DILHR and DOD provide information related to possible privatization of the laboratories. DILHR and DOD officials met with private laboratory representatives in April, 1996 and believe complete privatization is not feasible or cost effective. Therefore, DILHR and DOD officials anticipate returning to the Building Commission in July or August, 1996, to seek approval of the laboratory upgrade projects. They anticipate requesting the Joint Committee on Finance to approve an increase in expenditure authority under s. 13.10 for the project in September, 1996. However, if the Building Commission decides that some level of laboratory privatization is desirable, the timing, scope and cost of the laboratory upgrade projects could change.

Requested Items

1. **Automatic Distillation Units.** DILHR and DOD request \$290,600 for the purchase of 16 automatic distillation units to perform tests in which petroleum products are heated to form a vapor then recovered after cooling. In order to lessen the amount of time spent in monitoring tests, the units would replace manual units. The automatic features relate to the computer timing and measurement of test functions, such as measuring the temperature of the petroleum product on a specified time schedule as the product cools. The automatic units would provide broad testing capabilities such as whether the petroleum products have been contaminated or misrepresented, the type of product, the fuel economy and whether the fuel is old or new. One automatic distillation unit would be provided in each of 12 laboratories and two units would be provided in Green Bay and Milwaukee/Waukesha, the two highest volume laboratories.

DILHR officials indicate that the Department has recently completed the process of bidding for purchase of the units. DILHR has preliminarily selected a successful bidder but has not finalized the action, pending Committee approval of release of funds. DILHR anticipates that the bidder would ship the units within 60 days of finalization of the purchase order. To maximize the computerized measurement of tests, DILHR plans to install the units upon arrival and does not plan to wait until the laboratory remodeling phase to install the units.

The requested cost of the units has decreased from \$315,200 to \$290,600. If the Committee releases \$290,600 for the units at this time, DILHR could encumber 1995-96 funds before the fiscal year accounts are closed, and Commerce could receive the units within a few months. If the Committee does not release the funds now, Commerce could request funds under s. 13.10 at a later date. It is likely that the Building Commission would make a decision related to the laboratory upgrades before the Committee's September, 1996, meeting under s. 13.10.

2. Programming of Oxygen Analyzers. DILHR and DOD request \$40,000 for programming of existing oxygenate analyzers that test fuels for compliance with federal air quality standards. Programming includes calibrating units for the testing of winter grade fuels and summer grade fuels. During review of the November, 1995, request, DILHR officials indicated that the Department anticipated using \$40,000 of the \$200,000 approved in Act 27 for programming for winter grade fuels and requested an additional \$40,000 under the s. 13.10 request for programming for summer grade fuels.

Recently, DILHR officials indicated that the Department has expended \$72,000 for programming and has encumbered an additional \$49,975 (for a total of \$121,975) before requesting Committee approval to release funds from unallotted reserve. Since DILHR has already expended or encumbered funds from current allotments and has no other planned expenditures in this area, the Committee may not need to release additional funds from unallotted reserve for this purpose.

3. Exhaust Hoods. DILHR and DOD request \$88,000 for the purchase of 15 exhaust hoods to surround interior workspaces and capture fumes and emissions from the primary work area for petroleum test processes. The hoods would limit employee contact with fuel vapors. The November, 1995, request was for \$105,400 for 17 exhaust hoods. DILHR purchased one hood with 1994-95 funds for the Waukesha laboratory. One of each of the requested 15 hoods would be provided in each of 12 laboratories, two hoods would be provided to Green Bay and a second hood would be provided to Waukesha (for a total of 16 hoods).

DILHR officials indicate that the cost has decreased (from \$6,200 to \$5,870 per hood) because the Department was able to use a vendor and price previously approved through a University of Wisconsin bidding approval process. DILHR encumbered \$88,000 for the hoods in April, 1996, in order to lock in the price before the University bid price expired in June, 1996, and to avoid a separate bidding process.

DILHR officials indicate that after the Building Commission and Joint Committee on Finance approve the remodeling of the laboratories, DILHR and DOD would direct the engineering consultant to write specifications for each hood to fit specific dimensions of each laboratory. The hoods would be installed during the remodeling process, beginning by approximately December, 1996. If the Building Commission and Joint Committee on Finance do not approve the remodeling, DILHR and DOD would still install the exhaust hoods in order to correct fire, health and safety violations.

DILHR already encumbered \$88,000 for the exhaust hoods before seeking Committee release of the funds and has no other planned expenditures in this area. Thus, the Committee may not need to release further funds from unallotted reserve for this purpose. However, DILHR officials argue that the funds should be released from unallotted reserve because funds were encumbered prior to Committee approval primarily to avoid potential cost increases and a lengthy bid process.

4. Chemical Hygiene Plan and Training. DILHR and DOD request \$12,200 for a chemical hygiene plan to include procedures for work processes and the handling, disposal and control of chemicals. The November, 1995, request was for \$15,000 (\$14,000 to develop the plan and \$1,000 for mandated training in the use of fire extinguishers). At that time, DILHR also indicated that it intended to use \$14,500 of the \$200,000 approved in Act 27 for hazardous materials handling training, for a total planned expenditure of \$29,500.

Recently, DILHR officials indicated that the Department has expended \$11,375 and encumbered \$14,038 for chemical hygiene training (for a total of \$25,413) before seeking Committee release of the funds. DILHR has no other planned expenditures in this area. Thus, the Committee may not need to release further funds from unallotted reserve for this purpose.

Summary of Expenditure Plan

DILHR officials have provided a summary of \$595,090 in expended, encumbered and planned expenditures for petroleum inspection laboratory health and safety improvements as of June 10, 1996. As shown in Table 2, DILHR has expended and encumbered \$304,490 for petroleum laboratory improvements. This means that DILHR encumbered \$104,490 in excess of the \$200,000 approved in Act 27 before requesting the release of the \$430,800 that was placed in unallotted reserve in December, 1995.

DILHR officials indicate that \$104,490 of encumbrances in excess of the approved \$200,000 were made instead of miscellaneous base level supplies and services purchases. The only planned expenditure which DILHR has not already encumbered is \$290,600 for the automatic distillation units.

TABLE 2

**DILHR Petroleum Laboratory Expenditure Plan
(as of June 10, 1996)**

<u>Component</u>	<u>Expended</u>	<u>Encumbered</u>	<u>Planned</u>	<u>Total</u>
Waukesha Pilot Test				
Laboratory	\$9,433			\$9,433
Engineering Consultant	25,364	\$21,136		46,500
Automatic Distillation				
Units			\$290,600	290,600
Exhaust Hoods		87,977		87,977
Programming of Oxygen				
Analyzers	72,000	49,975		121,975
Chemical Hygiene Training	11,375	14,038		25,413
Flame Proof Clothing	<u>13,192</u>	<u> </u>	<u> </u>	<u>13,192</u>
Total	\$131,364	\$173,126	\$290,600	\$595,090

ALTERNATIVES

1. Approve the DILHR and DOD (Commerce) request to release \$430,800 from unallotted reserve in 1995-96 for petroleum laboratory equipment and facility design services.
2. Approve the release of \$395,100 to cover all planned expenditures for petroleum laboratory remodeling and health and safety improvements.
3. Approve the release of \$378,600 for the automatic distillation units (which DILHR has not yet encumbered) and the exhaust hoods (which DILHR encumbered in April, 1996, in order to lock in the price). (This alternative would not provide funds from unallotted reserve for programming of the oxygen analyzers and the chemical hygiene plan development and training which have already been spent or encumbered from current allotments.)
4. Approve the release of \$290,600 of the requested \$430,800 for the automatic distillation units (which DILHR has not yet encumbered).
5. Deny the request. (A subsequent request could be considered after the Building Commission has determined the scope of the petroleum laboratory remodeling project.)

Prepared by: Kendra Bonderud

XXIII. Department of Development --Thomas H. Taylor, Deputy Secretary
Department of Industry, Labor and Human Relations -- Richard C. Wegner, Acting Secretary

This item was submitted to the Committee for review on June 5, 1996; the committee chose to schedule it for review at the July 10 meeting under s. 13.10.

The Department of Development and the Department of Industry, Labor and Human Relations request release of \$430,800 from unallotted reserve. These funds were approved by the Joint Committee on Finance at the December 1995 s. 13.10 meeting for the upgrade of the petroleum laboratories. The report submitted contains detailed information on how the requested funds would be spent.

Governor's Recommendation

Approve the request.



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

July 10, 1996

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Section 16.505/515 Request from the Department of Administration Related to
Justice Information Systems--Agenda Item XXIV

On June 7, 1996, the Department of Administration submitted a s. 16.505/515 request to the Joint Committee on Finance for \$2,243,000 PR and 4.5 PR positions related to DOA's Bureau of Justice Information Systems. The request would provide funding and positions in 1996-97 as follows: (a) \$864,400 for the State Public Defender computer automation system; (b) \$718,500 for the District Attorney network; and (c) \$660,100 and 4.5 positions for DOA's Bureau of Justice Information Systems. On June 27, 1996, objections were raised to the request. The request has now been added to the Committee's agenda for the continued s. 13.10 meeting on July 10, 1996.

BACKGROUND

The following provisions related to justice information systems were included in 1995 Act 27 (the 1995-97 biennial budget):

- The Bureau of Justice Information Systems (BJIS) was created in DOA and was staffed by transferring 4.5 positions from the State Public Defender (SPD) to DOA. Funding of \$235,500 GPR and 4.5 GPR positions annually were eliminated in the SPD and equivalent PR expenditure and position authority were provided in DOA. Program revenue funding for BJIS was provided from the then existing circuit court automation fee (an additional fee on forfeitures and most civil filings). The fee was renamed the justice information system fee and increased from \$3 to \$5. Of the total fee, \$1 is deposited in the general fund as GPR-earned and \$4 is credited to the BJIS appropriation.

- Statutory language was created that specified that DOA may promote, coordinate and maintain compatible automated justice information systems in the state, in conjunction with the State Public Defender Board, the Director of State Courts, the Departments of Corrections and Justice and the District Attorneys. Further, the Department of Administration is required to annually report to the Legislature on efforts to improve and increase the efficiency of integration of justice information systems.

- In his budget recommendations (1995 Assembly Bill 150), the Governor had proposed that \$2,194,900 PR annually from the information technology investment fund (ITIF) be provided to automate the offices of the State Public Defender. This provision was deleted by the Legislature. Instead, a provision was created requiring that prior to the provision of any funding or positions for a Public Defender information system, DOA submit a report on: (a) an implementation plan and associated costs for the Public Defender information system; (b) the costs of long-term system support, maintenance and training associated with the new system; and (c) the planned integration of the Public Defender information system with other judicial and justice information systems.

- As passed by the Legislature, AB 150 would have required that the Department of Justice maintain a District Attorney (DA) computer network that provides district attorney offices with access to motor vehicle operating records, access to criminal history records, the ability to exchange legal information, use of electronic mail and access to statutory and Attorney General opinion data bases. This provision was vetoed by the Governor. In his veto message, however, the Governor indicated that BJIS would develop and maintain a DA computer network.

ANALYSIS

Revenue to Fund Request

Funding for the Bureau of Justice Information Systems is generated from the \$5 justice information system fee on most forfeitures and civil court filings (\$1 of the \$5 is deposited in the general fund). The fee generated approximately \$1.9 million in 1995-96. Using estimated final expenditures for 1995-96, the BJIS appropriation will have an estimated year-end balance of \$1,657,700. Additional revenue collections in 1996-97, are currently estimated at \$2,000,000. As a result, a total of \$3,657,700 is estimated to be available for expenditure in 1996-97.

In Act 27, it was estimated that the justice information system fee would generate \$2.5 million annually (\$2.2 million in 1995-96). This estimate was based on collections for the court automation fee, which generated approximately \$625,000 annually per \$1 of fee. To date, however, collections have been less than anticipated (closer to \$500,000 per \$1), in part because initial collections were slow to start and because of a decrease in the number of civil filings. If collections and civil filings increase, revenues could exceed \$2.0 million annually.

While revenues appear to be sufficient to support the increased expenditure authority in 1996-97, it is to be noted that the current base level of revenue is estimated at \$2.0 million annually. However, DOA has indicated that the SPD information system will either cost \$5.6 million if the remaining cost is all funded in fiscal year 1997-98, or \$2.3 million annually (an additional total of \$6.9 million) if remaining costs are funded over three years (through 1999-2000). Further, annual support costs for the SPD are preliminarily estimated at \$1 million. As a result, revenue from the justice information system fee may not be sufficient in the future to support ongoing BJIS operations, completion of both the SPD and DA systems, ongoing support and training costs for both systems, and other costs associated with an integrated justice information system. Even if revenues generated meet earlier estimates (\$2.5 million annually), the costs of the currently identified projects and BJIS operations will exceed revenues.

The Department of Administration has indicated that future resource needs will be addressed in the 1997-99 biennial budget. While administration officials have indicated the Justice information fee is not likely to be proposed to be increased, they were unable to identify other potential revenue sources. To the extent that initial and ongoing justice information system costs exceed revenue from the current fee, additional revenue will be required, base funding may need to be reallocated from other activities or the scope of the projects may need to be modified.

Public Defender

The Public Defender currently employs 519 persons located in 41 offices throughout the state. Infrastructure for the agency consists of approximately 600 MacIntosh computers, of which 190 are eight to 11 years old. Under Act 27, the Public Defender's 4.5 MIS positions were transferred to DOA's Bureau of Justice Information Systems with the understanding that one of the first projects to be undertaken by BJIS would be to replace the Public Defender's current system with a PC-based computer environment consistent with state IT infrastructure standards. The Department of Administration requests \$864,400 PR in 1996-97, funded from the justice information system fee, to begin the conversion of the Public Defender's MacIntosh computer system to the state's PC standard system.

The request includes funding for approximately 70 workstations and accompanying software and network packages (\$595,400), technical staff retraining (\$51,000), general staff user training (\$35,000), travel and installation (\$20,000), MacIntosh emergency replacement equipment (\$5,000) and a strategic planning consultant (\$25,000). In addition, the request includes \$133,000 to contract for ongoing training and support for the new system, as well as for the Public Defender's current infrastructure which must be maintained until the new system is completely operational. The request is expected to lay the groundwork for a complete transition to a new system in two years (at a cost of \$5.6 million in the second year), a more gradual conversion over four years (at a cost of \$2.3 million per year in the last three years) or a longer period of time if the funding is unavailable (at an unspecified cost).

Prior to obtaining any expenditure authority for such a conversion, Act 27 specified that DOA must submit a report that includes an infrastructure implementation plan and associated

costs, costs of long-term infrastructure support, maintenance and training and plans for the integration of the Public Defender system with other justice information systems. In compliance with this requirement, DOA's s. 16.505/515 request was accompanied by a report entitled The State Public Defender Information Technology Conversion and Support Plan.

The report identified two alternative plans for the conversion of the SPD infrastructure depending on the amount of funding available. The first plan (and the one anticipated during 1995-97 budget deliberations) would involve a complete conversion of the existing system within two years. In the first year, a portion of the MacIntosh hardware would be replaced with standard PC hardware (approximately 70 workstations) and the MacIntosh software would be retained. In the second year, the remaining MacIntosh hardware would be replaced and new PC software would be installed. Department of Administration officials estimate that this plan would cost \$6.4 million (\$864,400 in 1996-97 and \$5,562,000 in 1997-98) and would require an additional 12 to 15 technical positions (or funds to contract for that level of staffing) and dedicated project management and technical supervision staff in the second year. Therefore, if a two-year conversion plan is used, it is likely that additional position authority will be sought in future requests.

The alternative plan described by DOA would spread the conversion over four years with approximately one-third of existing hardware replaced each year, but with a majority of the current software being retained until the fourth year. Under the four-year plan, entire local offices would be converted one at a time with each converted office retaining at least one MacIntosh system so that they could communicate with offices that have not been converted. Because the two systems are viewed as incompatible, the four-year plan involves supporting both systems the entire time and ultimately is more expensive with total costs for the conversion currently estimated at \$7.9 million (updated from the original estimate of \$8.3 million identified in the report).

The Committee should note that DOA has not yet decided which alternative will be utilized. The SPD planning document indicates that the two-year plan is preferred from a technical standpoint because the existing SPD computer system would not have to be maintained for as long as under the four-year plan. The first year estimated costs, included under this component of the request, are the same for both alternatives (\$864,400). However, the Department has not specified how any alternative plan would be funded after 1996-97. Given the estimated \$5.6 million cost in the second year of the two-year plan and that current annual revenues for BJIS are estimated at only \$2.0 million, such a plan is not financially feasible without an additional funding source. Further, the four-year plan has an estimated cost of \$2.3 million in each of the last three years and would require either that full BJIS revenues be dedicated to this project or an additional source of revenue be used.

In addition, once a system is in place, DOA estimates annual support costs of approximately \$1.0 million. This is based on estimated annual support costs for the Circuit Court Automation Project (CCAP) of \$1,900 per user which assumes a four-year equipment replacement cycle and includes funds for initial application training, development and

maintenance software upgrades, new applications, ongoing user training and a central help desk. The report does not address where the additional funds to support the system would come from. Therefore, it is not known whether support costs would be provided from the justice information fee, the ITIF, the general fund or some other source of revenue.

It should be further noted that a detailed tactical plan describing the actual method for installation of equipment and training for either of the SPD conversion alternatives is not available. Department of Administration officials indicate that such a plan is currently being developed and should be completed by the end of the summer. In addition, the current request includes \$25,000 for consulting services to develop a strategic plan to determine the overall infrastructure needs of the Public Defender and how those needs should be addressed. The SPD planning document indicates that their estimates of the cost of conversion are subject to change upon the development of those plans and may be further modified in the agency's next biennial budget request. Therefore, it is not known whether the current funding estimates are sufficient.

One option the Committee could consider would be to reduce the number of systems installed in the first year so that expenditures would be more in line with the current estimated revenue stream. The Committee could provide funding for 41 systems. This would allow one system per office or, alternatively, the complete automation of one or two pilot offices. Required funding for installation of 41 workstations would be approximately \$514,800 (\$348,700 for equipment and \$166,100 for training and support). In addition, the \$25,000 for consulting services to develop a strategic plan would still be needed to determine the ultimate information technology needs of the SPD. While this would provide somewhat fewer workstations than requested, it would allow the SPD to begin designing applications as well as some initial training and testing the environment for full conversion.

However, given the limited information provided regarding implementation, the actual costs of the conversion and where the revenue will come from to support the project, it may be premature to approve the requested funds for equipment and training. Instead, the Committee could consider funding only the development of a computer technology strategy for the SPD (\$25,000) at this time. Depending on what those needs are determined to be, the requested number of systems (approximately one per FTE) and resources may be found to be insufficient based on various local office needs or could be more than needed if the new technology can be used more efficiently. If the Committee were to decide to approve only the \$25,000 at this time, the equipment and training needs identified by the strategic and tactical plans (due for completion by the end of the summer) could then be reviewed in the 1997-99 budget process. On the other hand, BJIS officials argue that delay of the SPD conversion process would result in: (a) the need to dedicate resources to maintain an "outdated" MacIntosh environment; (b) the inability to meet legislative requirements for improving the SPD case management system; and (c) the further delay of the potential for the SPD to link to other justice related agencies' information systems.

District Attorney Network Project

This component of the request is for \$718,600 PR in 1996-97, from the justice information system fee to begin the implementation of a District Attorney network project that would provide each of 71 DA offices with: (a) at least one personal computer and office and network software; (b) access to various criminal history and driving record data bases through the Department of Justice law enforcement telecommunication system (TIME system); (c) linkage with the Circuit Court Automation Project (CCAP); (d) access to Lexis and WisLaw databases; (e) user training and ongoing support; and (f) e-mail and document sharing capability (via the Badger Net).

Additional funding for the project (\$250,000 SEG) has been provided from federal highway safety funds under a grant from the Wisconsin Department of Transportation (these funds must be fully expended by September 30, 1996). It is not clear at this time whether any federal funding will be available in subsequent years.

As passed by the Legislature, AB 150 would have provided \$53,300 PR in 1995-96 and \$160,400 PR in 1996-97 with 2.0 positions to the Department of Justice for the development and implementation of the DA network project. Funding would have been provided from an increase in the penalty assessment on court fines and forfeitures imposed for violations of state law from 22% to 23%. The DOT highway safety funds would also have been used by DOJ for equipment costs related to the DA network project. The positions included an attorney to provide oversight of the legal applications of the system and a management information specialist position for system development and maintenance.

The Governor vetoed the DOJ provision. (The veto retained the 1% increase in the penalty assessment, but deleted the allocation of this revenue for a DA computer network project. Under the veto, the current law distribution of penalty assessment revenue was maintained.) The Governor indicated in his veto message that the Bureau of Judicial Information Systems in DOA would develop and maintain a DA computer network; however, while the DOT grant was available to DOA, Act 27 provides no additional funds for developing a DA network.

The following table shows the first-year project budget under the DOA request:

**District Attorney Network Project
1996-97**

<u>Cost Category</u>	<u>DOT (SEG) Grant</u>	<u>s. 16.515 Request (PR)</u>	<u>Total</u>
DA steering committee travel expenses	\$0	\$9,000	\$9,000
Purchase of 71 personal computers	190,000	57,100	247,100
Server installation	20,000	0	20,000
Policy development (LTE or consultant)	15,000	10,000	25,000
Badger Net communications	0	12,100	12,100
TIME system access	20,000	193,000	213,000
Lexis subscription	0	85,000	85,000
WisLaw subscription	0	14,000	14,000
Software	0	35,500	35,500
Upgrade 18 older PCs	0	27,000	27,000
User training	5,000	66,000	71,000
CCAP support costs	0	134,900	134,900
DOA support costs	<u>0</u>	<u>75,000</u>	<u>75,000</u>
Total	\$250,000	\$718,600	\$968,600

The DA network project is currently in a planning phase that involves a committee of the Wisconsin District Attorneys Association (WDAA), DOA, the State Prosecutors Office and a consulting firm. A written report on the plan was approved by WDAA on June 17, 1996, and was forwarded to the Secretary of the Department of Administration. This plan is generally consistent with the s. 16.505/515 request for the DA network project. However, both the plan and the request appear to envision the proposed activity in 1996-97 as an initial step toward the complete computer automation and networking of every District Attorney, deputy DA and assistant DA in the state; a total of approximately 361 positions.

It could be argued that this degree of individualized computer resources exceeds the original conception of a DA network project as considered in the 1995-97 budget deliberations. This project was to provide each DA office with access to certain data bases and the ability to exchange information. For example, a DA office, similar to a city police department, would be able to access the TIME system for criminal history information. However, this approach to a DA network did not include discussion that all individual prosecutors would directly have this access capability (just as many individual police officers do not have direct access to TIME data bases, but must work through the local police department's access to the system). According to DOA officials, the current request is a first step toward equipping all DA prosecution staff with integrated computer technology and access to various databases.

The WDAA plan is consistent with this broader view of a DA network project and provides an estimated cost over the first five years of \$13.7 million (based on fully implementing

the plan's goal for complete automation within this time period). As noted above, the combined requirements of the BJIS program operations, the DA network project and the SPD computer transition project greatly exceed the revenue derived from the justice information system fee.

Further, this broad approach to addressing DA computer needs could be viewed as a modification of current policy regarding the support costs of DA offices. Under current law, the state pays the salary and fringe benefit costs of all District Attorneys, and deputy and assistant DAs, while each county has financial responsibility for all other costs related to the operation of its DA office. In addition, current law requires that the nature and level of materials, supplies, equipment, services and facilities provided for the DA office by each county must be adequate and sufficient to fulfill the responsibilities of that office. While a limited DA network project (as envisioned by the Legislature under AB 150) could be viewed as providing DAs with additional access to various data bases and providing inter-office communication, the broader conception of a DA network project (as envisioned in the WDAA plan and by DOA officials) would significantly reduce the DA office support responsibilities of counties under current law.

The current request by DOA for implementing a DA network in 1996-97 does provide the basic components for establishing the original, more limited version of a DA network. However, some questions concerning the calculation of costs, as shown in the above table, may be raised.

The TIME system access costs identified in the request (\$213,000) appear to be high compared to the current TIME system fee structure. Access to the TIME system requires the payment of both one-time and ongoing costs. The one-time costs include software and server fees totalling \$4,500 and licensing fees that range between \$725 and \$1,440 per license, depending on the total number of licenses obtained for the system server. The number of licenses purchased determines the number of users (DA offices) that can access the TIME system simultaneously through the server. Ongoing costs include \$400 per month for the telecommunications line used by the server and \$140 per month for access and system support fees that would be charged to each DA office. (These one-time and ongoing fees are standard and are currently paid by each law enforcement agency in the state using the TIME system.)

If 71 licenses were obtained (allowing each DA office to access the TIME system simultaneously) the first year cost, assuming each DA office accessed the system for a full 12-months, would be about \$185,800. However, a smaller number of licenses would likely provide adequate response time to DA offices utilizing the system; for example, 30 licenses would bring the first-year costs down by approximately \$30,000. (The number of licenses may be increased or decreased at any time to a level that provides adequate simultaneous service.) If the DA computers are installed gradually through the year, the total first year costs would also be reduced because the monthly access and support fees would not apply until the system is being used. For example, implementing the TIME access capability on January 1, 1997 and maintaining 30 licenses would require about \$94,100 in 1996-97. The ongoing annual cost for the 71 DA offices to access the TIME system would be about \$125,000.

Some of the budgeted figures for other ongoing costs under the request appear to be predicated on annualized cost estimates. The subscriptions to WisLaw and Lexis, user training costs, and the Badger Net communications costs, for example, appear to reflect annual costs that would only be incurred following the actual installation of the hardware and software in each DA office. In 1996-97, the installation process is likely to be either only partially completed or at least not fully completed until later in the fiscal year. These costs, then, could be prorated to reflect this gradual implementation. (Again, six-months of costs, or 50% of the amounts requested, would appear to be adequate in 1996-97.)

Additional modifications that could be considered would include reducing certain costs. For example, steering committee travel expenses could be eliminated if counties shared in these costs and if more teleconferencing was used to process the steering committee's work. The upgrade of older computers (which would not be utilized as part of the basic DA network but rather provided as personal computers to assistant DAs) could be deferred until alternative funding sources are identified for these upgrades. This would still provide a total of 71 network computers, one for each DA office. Expenditures for LTE or consultant costs relating to policy development could also be deferred to the 1997-99 budget when the need for this work could be clarified and more fully assessed. If these modifications are made, and assuming a January 1, 1997, implementation date, instead of July 1, 1996, the total 1996-97 costs could be reestimated at approximately \$410,100 (a reduction of \$308,500 in the request).

The CCAP support costs, which reflect a first year estimate of costs relating to the installation of hardware and software, system testing and support, depend on the development of a memorandum of understanding (MOU) between DOA and the Courts concerning the implementation of the project. This MOU is still in the negotiation stage and its completion date is not known. It may be possible to develop more precise overall cost estimates for the DA network project following the completion of a DOA/Court MOU, including an implementation schedule.

A related issue concerning the CCAP support costs should be noted. The Courts do not have a program revenue account authorized to receive revenue for the provision of CCAP support to the DA network project or to expend such revenues. The creation of a program revenue account and an appropriation would require the passage of legislation. Department of Administration officials indicate that if CCAP support cannot be utilized in 1996-97 for this purpose, a private contract to provide this support would instead be sought.

While the requested amount for the DA network project reflects the broader goals of the project, it appears that some of the projected costs may not be fully incurred in 1996-97. In addition, the request does not address what, if any, additional hardware or software needs may be required in the future to support a basic DA network project (as distinct from the complete automation of state DA positions). For example, additional network workstations for larger DA offices, printers and local area networks may be required at some point in time. Further, the ongoing costs of the basic DA network project in subsequent years are not identified. Based on the documentation provided, ongoing costs would be expected to total at least \$500,000 annually.

However, if additional workstations are eventually provided beyond the numbers proposed in the current request, ongoing costs could be significantly higher. Estimates of additional one-time and ongoing costs may be needed in order to fully assess the adequacy of current BJIS revenues for a basic DA network project.

The provision of standardized and integrated computer technology to every state prosecutor position raises additional issues that would likely require future legislative action. This broader information technology goal would require more refined cost estimates, the identification of additional sources of funding and a modification of the current law requirements that counties provide DA office support, including equipment.

Bureau of Justice Information Systems

In 1996-97, BJIS has a budget of \$235,500 PR with 4.5 PR positions. The Bureau is currently staffed by a 0.5 bureau director and 4.0 management information specialists (MIS). All of the current positions were transferred from the SPD in Act 27. The MIS positions, while DOA positions funded from the justice information system fee, remain assigned to the Public Defender to support the existing computer system.

The Department of Administration's s. 16.505/515 request, seeks \$660,100 PR and 4.5 PR positions in 1996-97, for additional staff support and increased supplies, services and permanent property funding. The Department indicates that BJIS will continue to develop and support computer networks for the Public Defender and District Attorneys and begin planning the linking of all justice information systems.

The BJIS portion of the request is allocated as follows:

Deputy Bureau Director (\$67,500 and 1.0 position). The deputy bureau director position would be responsible for overseeing the internal operations of BJIS. The Department indicates that, despite the relatively small size of the Bureau (a total of 9.0 positions if the request is approved), a deputy is requested to run the day-to-day operations because of the broader duties of the director. The bureau director has overall supervision responsibility for BJIS, but is also responsible for maintaining interagency and interbranch contacts between the Courts, Public Defender, District Attorneys (including the State Prosecutors Office), and the Departments of Administration, Justice and Corrections. The Department states that having a deputy bureau director would allow the bureau director to spend more time working on coordination between the agencies and branches involved in the proposed integrated justice information system. However, since BJIS operations to date have only involved support of the SPD computer system, it is not known whether the future workload associated with other justice information system projects will require an additional position. As a result, the Committee could deny the deputy director position until Bureau workload can be determined.

Program and Planning Analyst (\$50,000 and 1.0 position). The analyst position would be responsible for evaluating any proposal for the integration of information systems for the SPD, DAs, the Courts and the Departments of Corrections, Justice and Administration. The extent and

timing of any integrated system has not yet been determined. Further, in regard to an integrated justice information system, DOA has indicated that its top priority in 1996-97 is to obtain the services of national and state consultants to assist in the planning and development of such a system. The Committee could, therefore, deny the analyst position until the consultants have completed their evaluation and made proposals for an integrated system.

Project Manager (\$70,000 and 1.0 position). The project manager position would be responsible for overseeing the development of the District Attorney computer network. The Department's request indicates that the project manager position may also be used to assist with the SPD and future justice information system projects.

A position to oversee and manage the day-to-day development and installation of a statewide computer system seems appropriate. However, if the Committee does not provide funding for the DA network project, this position could be eliminated. Alternatively, if the Committee decides to reduce the scope of the DA network project, funding for the position could begin in January, 1997, and costs could be reduced by \$35,000 in 1996-97. The Committee should note that DOA has not recommended a project manager for the SPD computer system, but has indicated that the requested project manager position may assist with that project. If the Committee wishes, DOA could be directed to utilize this position for both the DA and SPD projects.

Bureau Director and Management Information Supervisor (\$97,650 and 1.5 positions). Prior to the transfer of positions from the SPD to BJIS in DOA, the Public Defender had 1.0 management information supervisor position (vacant) and 3.5 MIS positions. Following transfer of the positions to DOA, 0.5 of the vacant supervisor position was combined with an existing 0.5 MIS position to create a full-time MIS position and the remaining 0.5 of the supervisor position was upgraded to the 0.5 bureau director position. The conversion of the supervisor position was undertaken by DOA in order to provide increased direct MIS support for the Public Defender and to provide overall supervision within the Bureau. Since the current 4.0 MIS positions are located in the offices of the Public Defender and have no supervisor, creation of the management information supervisor position seems appropriate. Likewise, creation of the 0.5 bureau director position seems justified in order to provide full-time administrative direction to the Bureau. Creation of a full-time bureau director position could be even more necessary if the Committee chooses not to create the deputy bureau director position.

Technical Support Staff Upgrade (\$60,950). According to a consultant hired by DOA, the Public Defender needs technical support staff assistance from BJIS with higher skill levels than those currently available for BJIS. The Department requests \$60,950 in 1996-97, to increase salary and fringe benefit funding to a level expected to be necessary to gain the recommended level of support staff. However, the Department has not yet determined whether the requested funding will be utilized to increase existing staff salaries which would simply pay the same people more money or whether other higher level technical staff will be utilized and existing staff reassigned. It could be argued that until DOA has determined how the requested funding would be utilized, no additional funding should be provided for this purpose.

Contract Consultants (\$52,000). The Department is requesting \$52,000 in 1996-97, to hire consultants to assist in developing a plan to link justice information systems and to address technical and programming issues involved in linking specific systems. The consultants will provide a framework for the planning and implementation of an integrated justice information system. If DOA is to proceed with the possible integration of justice information systems, the hiring of consultants with specific expertise appears to be appropriate. As indicated previously, DOA views hiring national and state consultants in 1996-97 as its top priority in relation to justice information system integration.

Supplies and Services, and Permanent Property (\$262,000). Currently, BJIS has a budget of \$59,800 to cover supplies and services and permanent property. The Department is requesting an additional \$262,000 for the following purposes: (a) DOA internal administrative charges, \$100,000; (b) travel, conferences and training, \$36,000; (c) software subscriptions and dues, \$20,000; (d) computer equipment and software, \$15,000; (e) rent, \$25,000; (f) general supplies and services, including data processing charges, telecommunications, printing and office supplies, \$26,000; and (g) permanent property, \$40,000.

The DOA internal charges cover DOA personnel and fiscal services costs, and general administration in DOA's Division of Technology Management. The requested \$100,000 is based on DOA's estimated cost of providing services to BJIS. It should be noted, however, that DOA has not requested a corresponding expenditure increase in its internal services appropriations. It can be assumed, therefore, that these appropriations have sufficient expenditure authority for this fiscal year and additional revenue from BJIS is unnecessary at this time. Departmental overhead charges could be evaluated by DOA in the 1997-99 biennial budget to include BJIS costs based on actual experience. The Committee could, therefore, delete the \$100,000 associated with overhead costs.

In Act 27, supplies and services and permanent property funding for BJIS was budgeted at \$59,800. In the current request, DOA is seeking to increase expenditure authority for supplies and services, and permanent property to a level it argues is appropriate for BJIS operations. However, DOA cannot identify, in detail, how the increased funding levels required were determined. Under the request, each position (including the current 4.5 positions) is budgeted at \$18,000 for supplies and services (not including DOA overhead), and permanent property. In Act 27, by contrast, each position transferred from the SPD was budgeted at \$13,300. If the Committee wishes, funding in the request could be reduced by \$4,700 for each position remaining in BJIS, (and further reduced by \$18,000 for each position deleted from the request). This would provide supplies and services and permanent property funding support for BJIS staff at the Act 27 funding levels. For example, if 3.0 additional positions were provided and the current 4.5 positions are included, funding associated with these 7.5 positions could be reduced by \$35,250. In addition, in this example \$27,000 associated with the 1.5 positions which were not provided could also be deleted. If a different number of positions is approved and deleted, proportional reductions could be made.

The Committee should note that the annualized costs for BJIS are \$895,600 with the 9.0 positions. As with the other portions of this request, BJIS is funded from the justice information

system fee. In the future as costs for BJIS operations increase, funding from the justice information system fee will need to be reallocated from other Bureau projects (the SPD system, the DA network, the integrated justice information system or other projects initiated by DOA), additional funding sources will need to be found, or operations of the Bureau will need to be reduced.

ALTERNATIVES

A. Public Defender

1. Approve DOA's request for \$864,400 PR from the justice information system fee revenue in 1996-97 to begin the conversion of the Public Defender's MacIntosh computer system to the state's standard PC system. Funding would be used to purchase and install 70 workstations, provide staff training and support and consult for services to develop a strategic plan for the SPD's infrastructure needs.

2. Provide a total of \$539,800 PR in 1996-97 from the justice information system fee revenue to purchase and install 41 workstations, provide associated staff training and support, and consult for services to determine the SPD's infrastructure needs and develop a plan to meet those needs.

3. Provide a total of \$25,000 PR in 1996-97 for consulting services to develop a strategic infrastructure plan for the SPD.

4. Deny the request.

B. District Attorneys

1. Approve DOA's request for \$718,600 PR in 1996-97, from the justice information system fee, to begin the implementation of its proposed District Attorney network project.

2. Provide a total of \$410,100 PR in 1996-97 from the justice information system fee, to begin the implementation of a basic District Attorney network project.

3. Deny the request.

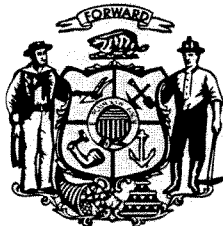
C. Bureau of Justice Information Systems

1. Approve DOA's request for \$660,100 PR and 4.5 PR positions for Bureau of Justice Information Systems.

2. Delete funding and positions from DOA's request for BJIS associated with one or more of the following:

STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR
JAMES R. KLAUSER
SECRETARY



Mailing Address:
Post Office Box 7864
Madison, WI 53707-7864

July 3, 1996

The Honorable Ben Brancel, Co-Chair
Joint Committee on Finance
119 Martin Luther King, Jr. Boulevard, LL2
Madison, WI 53702

The Honorable Brian B. Burke, Co-Chair
Joint Committee on Finance
100 North Hamilton Street, Room 302
Madison, WI 53702

Dear Senator Burke and Representative Brancel:

I am writing in regard to the s. 16.505/515 request that I forwarded to you and members of the Committee on June 7, 1996 requesting additional expenditure and position authority for the new Bureau of Justice Information Systems (BJIS) in the Division of Technology Management. It is my understanding that a member of the Committee has raised an objection about this request and that, unless the objection is withdrawn, a formal session will be held by members of the Committee to discuss this request. Should the objection not be withdrawn, I would request that this item be taken up at the next s. 13.10 Joint Committee on Finance meeting scheduled for July 10th.

Over the past several months, BJIS has initiated planning efforts to create a networked computer system for district attorneys across the state. This automation effort is critical to helping district attorneys share information on new legislation (i.e. juvenile justice code) and legal issues (i.e. brief bank) and will provide them with office computers comparable to other state attorneys. In addition, BJIS has also initiated planning efforts to implement a computer infrastructure compatible with state IT infrastructure standards that will upgrade the connectivity of the State Public Defender's statewide offices. These efforts are consistent with legislative intent and will provide the foundation for long-range integrated justice information system planning as authorized by the legislature. As you know, BJIS currently has 4.5 FTE PR positions and annual expenditure authority of \$235,500 PR to support these positions. Delaying a decision on DOA's request for additional expenditure and position authority for FY97 will seriously impede BJIS planning efforts and delay projects the State Public Defender and the district attorneys are relying on BJIS to implement.

Your attention to this matter is appreciated. Please feel free to contact me should you have any questions or would like to discuss this issue in more detail.

Sincerely,



James R. Klauser
Secretary

cc: Richard G. Chandler
Mark Wahl